REINSTATEMENT AND AMENDMENT TO ACQUISITION AND CONTRIBUTION AGREEMENT
[Michigan Meadows]

THIS REINSTATEMENT AND AMENDMENT TO ACQUISITION AND CONTRIBUTION AGREEMENT (this "Reinstatement") is made and entered into as of September 29, 1999 (the "Reinstatement Date"), by and among AIMCO Properties, L.P., a Delaware limited partnership ("Transferee"), the "General Partners," the "Regency LPs," and the "Manager," each as defined in the "Agreement" (as hereinafter defined) (collectively, the "Transferor Parties"), in connection with the following:

A. Transferee and the Transferor Parties are parties to that certain Acquisition and Contribution Agreement and Joint Escrow Instructions, dated as of March 22, 1999 (the "Agreement"), pursuant to which the Transferor Parties have agreed to transfer, contribute, assign and convey to Transferee the Partnership Interests, the Management Assets and the GP Loans relating to the Partnership and the Property. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Agreement (as modified hereby).

B. Transferee and the Transferor Parties are also parties to (i) that certain Termination Side Letter Agreement, dated as of March 22, 1999, (ii) that certain OP Side Letter Agreement, dated as of March 22, 1999, (iii) that certain Tax Side Letter Agreement, dated as of March 22, 1999, and (iv) that certain RMS Side Letter, dated as of March 22, 1999 (collectively, the "Side Letters").

C. Transferee and the Transferor Parties desire to reinstate and amend the Agreement on the terms set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. REINSTATEMENT. Each of Transferee and the Transferor Parties hereby acknowledges and agrees that the Agreement and the Side Letters shall be reinstated as of the Reinstatement Date and, except as expressly modified and amended hereby, shall be of full force and effect.

2. AMENDMENTS.

2.1 Reinstatement Date. The following provision is hereby added to the Master Schedule:

"Reinstatement Date shall mean September 29, 1999."

2.2 Partnership Unit Designation. The Partnership Unit Designation attached as Exhibit "B" to the Agreement is hereby deleted in its entirety and replaced by the Partnership Unit Designation attached hereto as Exhibit "A" and made a part hereof and thereof as if set forth fully herein and therein.

2.3 Deposit. Notwithstanding anything to the contrary set forth in the Agreement, including, without limitation, Section 2.1 thereof, Transferee shall deposit the Deposited Amount with Escrow Agent on or before the first (1st) Business Day following the Reinstatement Date.

2.4 Preliminary Transaction Common Stock Price. The definition of "Preliminary Transaction Common Stock Price" set forth in Section 2.2.1 of the Agreement is hereby deleted in its entirety, and the following definition is inserted in lieu thereof:

> "Preliminary Transaction Common Stock Price" shall mean the average of the last reported sales price of the Common Stock on the New York Stock Exchange on each of the twenty (20) consecutive Trading Days commencing on July 1, 1999."

2.5 Due Diligence Termination Date. Transferee hereby acknowledges and agrees that Transferee has waived its termination right under Section 4.1.4 of the Agreement. This Reinstatement shall be considered, for all purposes of the Agreement, a Waiver Notice, and Transferee's execution hereof shall constitute a waiver of any right by Transferee to terminate the Agreement pursuant to the terms of Section 4.1.4 thereof as a result of the condition of the Property, the Partnership, any Partnership Interests, the Loan or any of the GP Loans. For all purposes of the Agreement, the term "Due Diligence Period" is hereby amended to mean the period commencing on the Execution Date and ending on the Reinstatement Date. The parties further acknowledge and agree as follows:

(a) On or prior to the Mailing Date, the Transferor Parties shall deliver to Transferee a letter from the General Partners, in the form of Exhibit

"B" attached hereto. Provided that Transferee receives such letter on or prior to the Mailing Date, Transferee shall provide the amendment to the Offer referred to in Section 4.3.6 of the Agreement to those of the Investor Limited Partners who are identified on the schedule attached to such letter in addition to any Investor Limited Partners to whom Transferee is sending such amendment pursuant to Transferee's obligations under the Agreement.

(b) Transferee hereby acknowledges that it has made offers of employment to the Proposed Transferred Employees who are identified on Schedule 4.5.1 attached hereto (and the Transferor Parties hereby acknowledge that Transferee has complied with and fully satisfied the terms of the third (3rd) sentence of Section 4.5.1 of the Agreement). The parties further acknowledge and agree that Schedule 4.5.1 will form the basis for determining which new employees will become the responsibility of Transferee. In the period between the Reinstatement Date and the Closing Date, the Transferor Parties may hire new employees as replacements for the previously approved positions (as identified on Schedule 4.5.1) at similar compensation, recognizing the practical pressures on wage rates in the area where the Property is located. Those individuals who are not accepted for transfer to Transferee and who have not voluntarily left the employment of the Transferor Parties will be the Transferor Parties' responsibility for a settlement by the Closing Date.

2.6 Deadline for OP Unit Notice. The first clause of the first sentence of Section 2.2.2 of the Agreement is hereby amended by deleting the phrase "On the tenth (10th) Business Day prior to the Closing Date," and replacing it with the phrase "On the fifth (5th) Business Day prior to the Closing Date," (so that the date by which GP1 must deliver the OP Unit Notice to Transferee shall be five (5) Business Days prior to the Closing Date).

2.7 Title; Survey.

(a) Notwithstanding anything to the contrary set forth in the Agreement (including, without limitation, the terms of Section 4.2 thereof), except for the terms of the second sentence of Section 4.2.2.1 thereof (as modified by the terms of Section 2.7(b) hereof), Transferee hereby acknowledges that it has approved the condition of title to the Property as reflected in the title commitment and other commitments of the Title Company attached hereto as Schedule 4.2.1 and the Survey and hereby waives any right to deliver any Objection Notice or to require any further

action on the part of the Partnership or the Transferor Parties on account of any title matter reflected in the attached Schedule 4.2.1 or otherwise affecting title (other than "New Items" (as hereinafter defined)) (except for the matters specifically required to be satisfied by the Partnership or the General Partners in accordance with the requirements set forth in the attached Schedule 4.2.1, each of which the Partnership and/or the General Partners (as applicable) hereby covenant and agree to satisfy on or prior to the Closing Date). Subject to the terms of Section 2.7(b) hereof, Transferee further acknowledges and agrees that Transferee's Closing Condition set forth in Section 6.1.1 of the Agreement shall be satisfied if (i) on or prior to the Closing Date, the Partnership and/or the General Partners satisfy all of the requirements identified in the attached Schedule 4.2.1 that expressly require satisfaction by the Partnership and/or the General Partners, and (ii) the Title Company is prepared and committed to issue the title insurance policy described in Schedule 4.2.1 attached hereto (showing no exceptions to title other than (A) those described therein and (B) any other Permitted Exceptions) upon the Closing, subject to the satisfaction by Transferee or its designee of the requirements specifically required to be satisfied by Transferee or its designee as set forth in the attached Schedule 4.2.1, each of which Transferee covenants and agrees to satisfy or cause to be satisfied on or prior to the Closing Date. In addition to the other documents to be delivered at the Closing, the Partnership (as constituted prior to and after the Closing) and the General Partners shall execute and deliver at the Closing an affidavit in the form of Schedule 4.2.2 attached hereto in favor of the Title Company.

(b) The second sentence of Section 4.2.2.1 of the Agreement is hereby deleted in its entirety, and the following sentences are inserted in lieu thereof:

> "In the event that any update to the Title Documents is received by the Transferee after the Reinstatement Date, the Transferee shall have five (5) Business Days following the Transferee's receipt of such update and legible copies of all documents referenced therein, to notify the General Partners of any objection it may have to any "New Items" (as hereinafter defined) shown on such update. As used herein, the term "New Items" shall mean matters affecting title to the Property which were placed on the Property (or filed of record against the Property) after the Reinstatement Date, other than the "Permitted Exceptions" (as hereinafter defined). Notwithstanding the foregoing, the Transferee shall not disapprove of any New Item unless such item (i) was placed against the Property in breach of the Agreement, (ii) is a monetary lien against the Property, (iii) would have an adverse effect

upon the marketability or financeability of the Property, or (iv) would have a material adverse effect upon the ability of the Partnership to operate the Property after the Closing as it is currently being operated."

2.8 Fairness Opinion. The first clause of the first sentence of Section 4.3.1 of the Agreement is hereby amended by deleting the phrase "For a period of thirty (30) days commencing on the Due Diligence Termination Date," and replacing it with the phrase "For a period of thirty (30) days commencing on the Reinstatement Date," (so that the period during which the Transferor Parties must use best efforts to obtain the Fairness Opinion shall be the thirty (30) day period commencing on the Reinstatement Date).

2.9 Mailing Date. Section 4.3.2 of the Agreement is hereby amended by deleting the sentence thereof containing the definition of the "Mailing Date" in its entirety and replacing it with the following:

"On the date (the "Mailing Date") that it is the later to occur of (A) the fifteenth (15th) day after the Reinstatement Date, and (B) the fifth (5th) Business Day after the date on which the Transferor Parties obtain the Fairness Opinion or waive (or are deemed to have waived) their termination right pursuant to Section 4.3.1 hereof (or such other earlier or later date as may be acceptable to the General Partners and the Transferee), the General Partners will send the Consent Solicitation and all documents referenced therein to each of the Limited Partners."

2.10 Delivery of, and Comment on, the Consent Solicitation and the Offer Documents. Each of Transferee and the Transferor Parties hereby acknowledges and agrees that, as of the Reinstatement Date, each of the parties hereto has complied with its respective obligations under Sections 4.3.2 and 4.3.3 of the Agreement to (i) deliver the Consent Solicitation and the Offer Documents to the other party hereto, and (ii) comment on such documents as were delivered by the other party. In addition, GP1 hereby acknowledges that it has delivered to Transferee true, correct and complete copies of all last known addresses for all of the Investor Limited Partners pursuant to the terms of Section 4.3.3 of the Agreement (and Transferee hereby acknowledges receipt of such addresses).

2.11 Loan Assumption Approval. Section 4.4 of the Agreement is hereby amended by deleting the first sentence thereof in its entirety and replacing it with the following:

"On or before the fifth (5th) Business Day following the Reinstatement Date, the Transferor Parties shall deliver to the lender under the Loan (the "Lender") a written request for consent, as and to the extent such consent is required under the terms of the documents governing the Loan, to the transactions contemplated by this Agreement."

2.12 Outside Closing Date. Section 7.1 of the Agreement is hereby amended by deleting the phrase "September 1, 1999" and replacing it with the phrase "December 15, 1999" (so that the Closing must occur not later than December 15, 1999).

2.13 Preliminary Balance Statement. Section 7.5.1.4 of the Agreement is hereby amended by deleting the phrase "On or before the date that is ten (10) Business Days prior to the Mailing Date," and replacing it with the phrase "On or before the date that is five (5) Business Days prior to the Mailing Date," (so that the Transferor Parties must deliver the Preliminary Balance Statement to Transferee no less than five (5) Business Days prior to the Mailing Date).

2.14 Preliminary Closing Statement. The Agreement is hereby amended by deleting Section 7.5.1.5 thereof in its entirety and inserting the following paragraph in lieu thereof:

"On or before the date that is five (5) Business Days prior to the Mailing Date, Escrow Agent shall deliver to each of the parties for their review and approval a preliminary closing statement (the "Preliminary Closing Statement") setting forth (a) the estimated Closing Costs allocable pursuant to Section 7.6 hereof and the estimated prorations required pursuant to Section 7.5.1.8 hereof. Based on each of the party's comments, if any, regarding the Preliminary Closing Statement, Escrow Agent shall (i) revise the Preliminary Closing Statement on or before the date that is three (3) Business Days prior to the Mailing Date, and (ii) deliver a final, signed version of a closing statement to each of the parties on the second (2nd) Business Day prior to the Mailing Date (the "Closing Statement")."

2.15 Additional Tax Matters. The Agreement is hereby amended by adding the following paragraph after the end of Section 8.1.2.4 thereof:

"8.1.2.5 The Partnership has properly reported the Existing Debt (as hereinafter defined) as (A) non-recourse debt for purposes of Section 704 and 752 of the Code and (B) either as (i) qualified non-recourse financing for purposes of Section 465 of the Code or (ii) indebtedness that is not subject to the at-risk rules under Section 465 of the Code due to grand fathered treatment."

2.16 Matters to be Supplemented. Pursuant to the terms of Section 8.1.17.1 of the Agreement, the Transferor Parties were, among other things, obligated to update all Matters to be Supplemented on the ninetieth (90th) day after the Execution Date. The parties hereby acknowledge that the Transferor Parties sent such update to the Transferee on June 24, 1999 and the Transferee hereby waives any violation of the Agreement as a result of such update being sent on such date.

2.17 Transferee's Representations and Warranties. The introductory paragraph to Section 10 of the Agreement is hereby amended by deleting the phrase "to the extent that any of the representations and warranties set forth in Sections 10.1, 10.2 and 10.3 hereof relate to any of the GP Loans, such representations and warranties shall not be made as of the Execution Date, but shall be made as of the Due Diligence Termination Date and as of the Closing Date," and replacing it with the phrase "to the extent that any of the representations and warranties set forth in Sections 10.1, 10.2 and 10.3 hereof relate to any of the GP Loans, such representations and warranties shall not be made as of the Execution Date, but shall be made as of the Reinstatement Date and as of the Closing Date."

2.18 Covenants After the Reinstatement Date. For purposes of Section 11.1(a) of the Agreement, "the date on which the Transferee waives its termination right pursuant to Section 4.1.4 hereof" shall be the Reinstatement Date.

2.19 Memorandum of Contribution Agreement. The last sentence of Section 13.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"The parties hereby covenant and agree to (A) execute and deliver on or before the third (3rd) Business Day following the Reinstatement Date a memorandum of this Contribution Agreement expressly referencing the terms of this Section 13.2 in the form of Exhibit "S" attached hereto (the "Memorandum"), (B) cause the Memorandum to be recorded in the official records of the county where the Property is

located (the "Official Records") promptly following the satisfaction of the Mutual Closing Condition, and (C) execute, deliver and cause to be recorded in the Official Records upon the Closing or earlier termination of this Agreement in accordance with the terms hereof, a termination of the Memorandum."

2.20 Price Adjustment. Notwithstanding anything to the contrary set forth in the Agreement or the Master Schedule attached thereto, (i) the dollar amount of $102,050 set forth in the definition of the Deposited Amount shall be changed to $105,341, (ii) the dollar amount of $102,050 set forth in the definition of the Holdback Sum shall be changed to $105,341, and (iii) the dollar amount of $19,563 set forth in the definition of the Holdback Portion shall be changed to $20,195.

2.21 Requisite Consent. The definition of "Requisite Consent" set forth on the Master Schedule is hereby amended to add the following proviso at the end thereof:

"; provided, however, that the consent of a majority in interest of the Partners shall be required for ratification of the determination of the General Partners to allocate to the Partnership any of the costs and expenses payable under this Agreement and for any amendments to the Partnership Agreement deemed necessary by the General Partners in connection with the Closing relating to the revaluation of the Partnership's assets, authorizing the Partnership to acquire and hold OP Units, relating to restrictions on transfer of partnership interests and relating to the administration of claims asserted against the Holdback Accounts."

2.22 Transaction Common Stock Price. The parties hereby agree that, if the Transaction Common Stock Price is higher or lower than the Preliminary Transaction Common Stock Price, then (i) promptly following the calculation of the Transaction Common Stock Price in accordance with the terms of the Agreement, Transferee will mail a notice to the Investor Limited Partners notifying them of the change in the Transaction Common Stock Price, and (ii) the Consent Date shall be extended to the tenth (10^{th}) Business Day following the mailing of the notice required in clause (i) above; provided, however, that such extension of the Consent Date shall not result in any further adjustment to the Transaction Common Stock Price.

2.23 Maintenance of Indebtedness. Although the parties acknowledge that the Transferee will acquire its interest in the Property (through the acquisition of the Partnership Interests) at Closing subject to indebtedness with a principal balance equal to the amount of the outstanding principal balance of the Loan as of the Closing Date (as such Loan may have been refinanced pursuant to the terms of Section 11.1.15 of the Agreement), for all purposes of Section 11.2 of the Agreement (and notwithstanding anything to the contrary contained in Section 11.2 of the Agreement), the term "Existing Debt" as used therein shall mean that portion of the indebtedness evidenced by the Underlying Note (and shall not include the indebtedness evidenced by the Wrap Obligation which exceeds the indebtedness evidenced by the Underlying Note). In addition, Section 11.2.3 of the Agreement is hereby deleted in its entirety and the following paragraph is inserted in lieu thereof:

> "11.2.3 Maintenance of Indebtedness. The Transferee shall acquire its interest in the Property (through the acquisition of the Partnership Interests) at Closing subject to indebtedness (the "Existing Debt") with a principal balance equal to the amount of the outstanding principal balance of the Loan as of the Closing Date (as such Loan may have been refinanced pursuant to the terms of Section 11.1.15 hereof). During the Lockout Period, the Transferee shall cause the Partnership to maintain outstanding, without prepayment or other reduction, the Existing Debt (or any Replacement Debt (as defined below)) with a principal balance in an amount not less than the amount of the outstanding principal balance as of the Closing Date (as such Existing Debt may have been refinanced pursuant to the terms of Section 11.1.15 hereof). The Transferee shall report the Existing Debt as (A) non-recourse debt for purposes of Section 704 and 752 of the Code ("NRD") and (B) either as (i) qualified non-recourse financing for purposes of Section 465 of the Code or (ii) indebtedness that is not subject to the at-risk rules under Section 465 of the Code due to grandfathered treatment, except to the extent that a final determination (within the meaning of Section 1313(a) of the Code) holds otherwise. In reporting the Existing Debt as set forth above, the Transferee may rely upon the statements set forth in Section 8.1.2.5 hereof. The Transferee makes no representations as to the status of the Existing Debt as NRD or its status under Section 465 of the Code."

2.24 Personal Liability. The terms of Section 14.2 of the Agreement limiting the personal liability of the Transferor Parties shall remain in full force and

effect. Nothing contained in this Reinstatement is intended to (or shall) modify, increase, limit or otherwise alter the limitations on the personal liability of the Transferor Parties set forth in Section 14.2 of the Agreement.

3. MISCELLANEOUS.

3.1 Governing Law. This Reinstatement shall be deemed to have been executed and delivered within the State where the Property is located and the rights and obligations of the parties hereto shall be construed in accordance with, and governed by, the laws of such State.

3.2 Amendment. This Reinstatement may be amended only by an agreement in writing signed by the parties hereto.

3.3 Successors and Assigns. This Reinstatement is binding upon and shall inure to the benefit of the parties hereto, their respective permitted assignees and successors-in-interest.

3.4 Counterparts. This Reinstatement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

3.5 Severability. Any provision or part of this Reinstatement which is invalid or unenforceable in any situation in any jurisdiction shall, as to such situation and such jurisdiction, be ineffective only to the extent of such invalidity and shall not affect the enforceability of the remaining provisions hereof or the validity or enforceability of any such provision in any other situation or any other jurisdiction.

3.6 Ratification and Reaffirmation. Except as otherwise expressly provided herein, the Agreement and the Side Letters remain in full force and effect unamended, and all of the terms and provisions of the Agreement, as modified by the Side Letters and this Reinstatement, are hereby ratified and reaffirmed by Transferee and the Transferor Parties. All references to the Agreement in the Agreement or the Side Letters shall mean the Agreement as modified hereby.

3.7 Headings. The section headings of this Reinstatement are for convenience of reference only and shall not be deemed to modify, explain, restrict, alter or affect the meaning or interpretation of any provision hereof.

3.8 Counsel. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOOSING IN CONNECTION WITH THE EXECUTION HEREOF AND HAS DONE SO, OR VOLUNTARILY ELECTED NOT TO DO SO.

IN WITNESS WHEREOF, the parties hereto have executed this Reinstatement as of the date first above written.

[*Remainder of Page Intentionally Left Blank; Signatures Appear on the Following Pages*]

TRANSFEREE:

AIMCO PROPERTIES, L.P.,
a Delaware limited partnership

By: AIMCO-GP, INC.,
a Delaware corporation,
its general partner

By: _____
Name: Peter K. Kompaniez
Title: President

GENERAL PARTNERS:

_____
Roy H. Lambert

_____
David C. Eades

REGENCY LP:

_____
Roy H. Lambert

MANAGER:

REGENCY WINDSOR MANAGEMENT,
INC., an Illinois corporation

By: _____
Name: Philip A. Lambert
Title: President

TRANSFEREE:

AIMCO PROPERTIES, L.P.,
a Delaware limited partnership

By: AIMCO-GP, INC.,
a Delaware corporation,
its general partner

By: _____
Name: Peter K. Kompaniez
Title: President

GENERAL PARTNERS:

_____
Roy H. Lambert

_____
David C. Eades

REGENCY LP:

_____
Roy H. Lambert

MANAGER:

REGENCY WINDSOR MANAGEMENT,
INC., an Illinois corporation

By: _____
Name: Philip A. Lambert
Title: President

EXHIBIT "A"

PARTNERSHIP UNIT DESIGNATION

See Attached

EXHIBIT "B"

PARTNERSHIP UNIT DESIGNATION
OF THE
CLASS THREE PARTNERSHIP PREFERRED UNITS
OF
AIMCO PROPERTIES, L.P.

1. *Number of Units and Designation.*

A class of Partnership Preferred Units is hereby designated as "Class Three Partnership Preferred Units," and the number of Partnership Preferred Units constituting such class shall be _____ (_____).

2. *Definitions.*

Capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P. as amended, supplemented or restated from time to time (the "Agreement"), as modified by this Partnership Unit Designation and the defined terms used herein. For purposes of this Partnership Unit Designation, the following terms shall have the respective meanings ascribed below:

"*Assignee*" shall mean a Person to whom one or more Preferred Units have been Transferred in a manner permitted under the Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5 of the Agreement.

"*Cash Amount*" shall mean, with respect to any Tendered Unit, cash in an amount equal to the Liquidation Preference of such Tendered Unit.

"*Class Three Partnership Preferred Unit*" or "*Preferred Unit*" shall mean a Partnership Preferred Unit with the designations, preferences and relative, participating, optional or other special rights, powers and duties as are set forth in this Partnership Unit Designation.

"*Cut-Off Date*" shall mean the fifth (5th) Business Day after the General Partner's receipt of a Notice of Redemption.

"*Declination*" shall have the meaning set forth in Section 6(f) of this Partnership Unit Designation.

"*Distribution Payment Date*" shall have the meaning set forth of Section 4(b) of this Partnership Unit Designation.

"Distribution Rate" shall mean 9.5%, subject to adjustment as provided in Section 4(a) of this Partnership Unit Designation.

"Dividend Yield" shall mean, as of any calculation date and with respect to any class or series of capital stock, the quotient obtained by dividing (i) the aggregate dollar amount of dividends payable on one share of such class or series of capital stock, in accordance with its terms, for the 12 month period ending on the dividend payment date immediately preceding such calculation date, by (ii) the Market Value of one share of such stock as of such calculation date.

"Junior Partnership Units" shall have the meaning set forth in Section 3(c) of this Partnership Unit Designation.

"Liquidation Preference" shall have the meaning set forth in Section 5(a) of this Partnership Unit Designation.

"Majority in Interest of the Limited Partners" means Limited Partners (other than (i) the Special Limited Partner and (ii) any Limited Partner fifty percent (50%) or more of whose equity is owned, directly or indirectly, by the (a) General Partner or (b) any REIT as to which the General Partner is a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2))) holding more than fifty percent (50%) of the outstanding Partnership Common Units, Class I High Performance Partnership Units, Class I Partnership Preferred Units, Class One Partnership Preferred Units, Class Two Partnership Preferred Units[,][and] Class Three Partnership Preferred Units[, Class Four Partnership Preferred Units and Class Five Partnership Preferred Units] held by all Limited Partners (other than (i) the Special Limited Partner and (ii) any Limited Partner fifty percent (50%) or more of whose equity is owned, directly or indirectly, by (a) the General Partner or (b) any REIT as to which the General Partner is a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2))).

"Market Value" shall mean, as of any calculation date and with respect to any share of stock, the average of the daily market prices for ten (10) consecutive trading days immediately preceding the calculation date. The market price for any such trading day shall be:

(i) if the shares are listed or admitted to trading on any securities exchange or The Nasdaq Stock Market's National Market System, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system,

(ii) if the shares are not listed or admitted to trading on any securities exchange or The Nasdaq Stock Market's National Market System, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or

(iii) if the shares are not listed or admitted to trading on any securities exchange or The Nasdaq Stock Market's National Market System and no such last reported sale price

or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten (10) days prior to the date in question) for which prices have been so reported;

provided, however, that, if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Market Value of the shares shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate; *provided, further*, that the General Partner is authorized to adjust the market price for any trading day as may be necessary, in its judgment, to reflect an event that occurs at any time after the commencement of such ten day period that would unfairly distort the Market Value, including, without limitation, a stock dividend, split, subdivision, reverse stock split, or share combination.

"*Notice of Redemption*" shall mean a Notice of Redemption in the form of Annex I to this Partnership Unit Designation.

"*Parity Partnership Units*" shall have the meaning set forth in Section 3(b) of this Partnership Unit Designation.

"*Partnership*" shall mean AIMCO Properties, L.P., a Delaware limited partnership.

"*Previous General Partner*" shall mean Apartment Investment and Management Company, a Maryland corporation.

"*Primary Offering Notice*" shall have the meaning set forth in Section 6(h)(4) of this Partnership Unit Designation.

"*Public Offering Funding*" shall have the meaning set forth in Section 6(f)(2) of this Partnership Unit Designation.

"*Qualifying Preferred Stock*" shall mean any class or series of non-convertible perpetual preferred stock that (i) has been issued by a corporation that has elected to be taxed as a REIT, (ii) has a fixed rate of distributions or dividends, (iii) has a fixed liquidation preference (and which entitles the holder thereof to no payments other than the payment of distributions at a fixed rate and the payment of a fixed liquidation preference), (iv) is listed on the New York Stock Exchange, (v) cannot be redeemed at the option of the issuer for the first five years after issuance of such class or series of preferred stock and that, at the Reset Date (or, if applicable, as of the date the calculation of the Weighted Average of Preferred Stock Dividend Yields is being made for purposes hereof in respect of such Reset Date) cannot be so redeemed and (vi) is issued by an issuer the unsecured debt of which has an average rating from Moody's Investors Services, Inc., Standard & Poors Rating Services or Duff & Phelps Credit Rating Co. in a category that is one rating category below the average rating, as of such date, of the Previous General Partner's unsecured debt.

"Redemption" shall have the meaning set forth in Section 6(b)(i) of this Partnership Unit Designation.

"Registrable Shares" shall have the meaning set forth in Section 6(f)(2) of this Partnership Unit Designation.

"REIT Shares Amount" shall mean, with respect to any Tendered Units, a number of REIT Shares equal to the quotient obtained by dividing (i) the Cash Amount for such Tendered Units, by (ii) the Market Value of a REIT Share as of the fifth (5th) Business Day prior to the date of receipt by the General Partner of a Notice of Redemption for such Tendered Units.

"Reset Date" shall mean _____, 2004 and every fifth anniversary of such date that occurs thereafter.

"Senior Partnership Units" shall have the meaning set forth in Section 3(a) of this Partnership Unit Designation.

"Single Funding Notice" shall have the meaning set forth in Section 6(f)(3) of this Partnership Unit Designation.

"Specified Redemption Date" shall mean, with respect to any Redemption, the later of (a) the tenth (10th) Business Day after the receipt by the General Partner of a Notice of Redemption or (b) in the case of a Declination followed by a Public Offering Funding, the Business Day next following the date of the closing of the Public Offering Funding; *provided, however,* that the Specified Redemption Date, as well as the closing of a Redemption, or an acquisition of Tendered Units by the Previous General Partner pursuant to Section 6 hereof, on any Specified Redemption Date, may be deferred, in the General Partner's sole and absolute discretion, for such time (but in any event not more than one hundred fifty (150) days in the aggregate) as may reasonably be required to effect, as applicable, (i) a Public Offering Funding or other necessary funding arrangements, (ii) compliance with the Securities Act or other law (including, but not limited to, (a) state "blue sky" or other securities laws and (b) the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended) and (iii) satisfaction or waiver of other commercially reasonable and customary closing conditions and requirements for a transaction of such nature.

"Tendering Party" shall have the meaning set forth in Section 6(b) of this Partnership Unit Designation.

"Tendered Units" shall have the meaning set forth in Section 6(b) of this Partnership Unit Designation.

"Weighted Average of Preferred Stock Dividend Yields" shall mean, as of any date of calculation, the average of the Dividend Yields, as of such date, of each Qualifying Preferred Stock (other than a Qualifying Preferred Stock issued by the Previous General Partner) that has been outstanding during the entire year immediately preceding the date of calculation. Each such class of

Qualifying Preferred Stock (except Qualifying Preferred Stock of the Previous General Partner) shall be weighted for its total market value.

3. ***Ranking.***

Any class or series of Partnership Units of the Partnership shall be deemed to rank:

(a) prior or senior to the Class Three Partnership Preferred Units, as to the payment of distributions and as to the distribution of assets upon liquidation, dissolution or winding up, (i) if such class or series shall be Class One Partnership Preferred Units or (ii) if the holders of such class or series shall be entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Class Three Partnership Preferred Units (the partnership units referred to in clauses (i) and (ii) of this paragraph being hereinafter referred to, collectively, as "Senior Partnership Units");

(b) on a parity with the Class Three Partnership Preferred Units, as to the payment of distributions and as to the distribution of assets upon liquidation, dissolution or winding up, whether or not the distribution rates, distribution payment dates or redemption or liquidation prices per unit or other denomination thereof be different from those of the Class Three Partnership Preferred Units (i) if such class or series of partnership units shall be Class B Partnership Preferred Units, Class C Partnership Preferred Units, Class D Partnership Preferred Units, Class G Partnership Preferred Units, Class H Partnership Preferred Units or Class J Partnership Preferred Units or (ii) if the holders of such class or series of partnership units and the Class Three Partnership Preferred Units shall be entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid distributions per unit or other denomination or liquidation preferences, without preference or priority one over the other (the partnership units referred to in clauses (i) and (ii) of this paragraph being hereinafter referred to, collectively, as "Parity Partnership Units"); and

(c) junior to the Class Three Partnership Preferred Units, as to the payment of distributions and as to the distribution of assets upon liquidation, dissolution or winding up, (i) if such class or series of partnership units shall be Partnership Common Units or Class I High Performance Partnership Units or (ii) if the holders of Class Three Partnership Preferred Units shall be entitled to receipt of distributions or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series of Partnership Units (the partnership units referred to in clauses (i) and (ii) of this paragraph being hereinafter referred to, collectively, as "Junior Partnership Units").

4. ***Quarterly Cash Distributions.***

(a) The "Quarterly Distribution Amount," as of any date, shall be equal to (i) the Distribution Rate then in effect, multiplied by (ii) $25, and divided by (iii) four. Holders of Preferred Units will be entitled to receive, when and as declared by the General Partner, quarterly cash distributions in an amount per Preferred Unit equal to the Quarterly Distribution Amount in effect as of the date such distribution is declared by the General Partner, and no more. On each Reset Date, the Distribution Rate thereafter in effect shall be adjusted by the General Partner to

equal the lesser of (i) the Distribution Rate in effect immediately prior to such Reset Date or (ii) the Dividend Yield of the class of Qualifying Preferred Stock most recently issued by the Previous General Partner or, if there is no class of Qualifying Preferred Stock of the Previous General Partner outstanding as of any Reset Date, the Weighted Average of Preferred Stock Dividend Yields, calculated as of the end of the calendar quarter immediately preceding such Reset Date; provided, further, that if for any reason there are no classes of Qualifying Preferred Stock of the type described in the definition of "Weighted Average of Preferred Stock Dividend Yields" outstanding on any Reset Date and the reference to the Weighted Average of Preferred Stock Dividend Yields would otherwise be determinative of the calculation of the adjusted Distribution Rate on such Reset Date, the adjusted Distribution Rate for the succeeding five (5) year period shall be the Distribution Rate in effect immediately prior to such Reset Date. Upon any such adjustment of the Distribution Rate, the General Partner shall send a notice describing such adjustment to the holders of the Preferred Units at their respective addresses, as set forth on Exhibit A to the Agreement.

(b) Any such distributions will be cumulative from the date of original issue, whether or not in any distribution period or periods such distributions have been declared, and shall be payable quarterly on February 15, May 15, August 15 and November 15 of each year (or, if not a Business Day, the next succeeding Business Day) (each a "Distribution Payment Date"), commencing on the first such date occurring after the date of original issue. If the Preferred Units are issued on any day other than a Distribution Payment Date, the first distribution payable on such Preferred Units will be prorated for the portion of the quarterly period that such Preferred Units are outstanding on the basis of twelve 30-day months and a 360-day year. Distributions will be payable in arrears to holders of record as they appear on the records of the Partnership at the close of business on the February 1, May 1, August 1 or November 1, as the case may be, immediately preceding each Distribution Payment Date. If the Preferred Units are issued other than on a record date for the payment of distributions to the holders of Preferred Units, the Quarterly Distribution Amount shall, for any quarter in which the Distribution Rate changes on any Reset Date, be appropriately prorated based on the portions of such quarter during which the different Distribution Rates were in effect, on the basis of twelve 30-day months and a 360-day year. Holders of Preferred Units will not be entitled to receive any distributions in excess of cumulative distributions on the Preferred Units. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on the Preferred Units that may be in arrears. Holders of any Preferred Units that are issued after the date of original issuance will be entitled to receive the same distributions as holders of any Preferred Units issued on the date of original issuance.

(c) When distributions are not paid in full upon the Preferred Units or any Parity Partnership Units, or a sum sufficient for such payment is not set apart, all distributions declared upon the Preferred Units and any Parity Partnership Units shall be declared ratably in proportion to the respective amounts of distributions accumulated and unpaid on the Preferred Units and accumulated and unpaid on such Parity Partnership Units. Except as set forth in the preceding sentence, unless distributions on the Preferred Units equal to the full amount of accumulated and unpaid distributions have been or contemporaneously are declared and paid, or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for such payment, for all past distribution periods, no distributions shall be declared or paid or set apart for payment by the Partnership with respect to any Parity Partnership Units.

(d) Unless full cumulative distributions (including all accumulated, accrued and unpaid distributions) on the Preferred Units have been declared and paid, or declared and set apart for payment, for all past distribution periods, no distributions (other than distributions paid in Junior Partnership Units or options, warrants or rights to subscribe for or purchase Junior Partnership Units) may be declared or paid or set apart for payment by the Partnership and no other distribution of cash or other property may be declared or made, directly or indirectly, by the Partnership with respect to any Junior Partnership Units, nor shall any Junior Partnership Units be redeemed, purchased or otherwise acquired (except for a redemption, purchase or other acquisition of Partnership Common Units made for purposes of an employee incentive or benefit plan of the Partnership or any affiliate thereof, including, without limitation, Previous General Partner and its affiliates) for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such Junior Partnership Units), directly or indirectly, by the Partnership (except by conversion into or exchange for Junior Partnership Units, or options, warrants or rights to subscribe for or purchase Junior Partnership Units), nor shall any other cash or other property be paid or distributed to or for the benefit of holders of Junior Partnership Units.

(e) Notwithstanding the foregoing provisions of this Section 4, the Partnership shall not be prohibited from (i) declaring or paying or setting apart for payment any distribution on any Parity Partnership Units or (ii) redeeming, purchasing or otherwise acquiring any Parity Partnership Units, in each case, if such declaration, payment, redemption, purchase or other acquisition is necessary to maintain the Previous General Partner's qualification as a REIT.

5. *Liquidation Preference.*

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Partnership, before any allocation of income or gain by the Partnership shall be made to or set apart for the holders of any Junior Partnership Units, to the extent possible, the holders of Preferred Units shall be entitled to be allocated income and gain to the extent necessary to enable them to receive a liquidation preference (the "Liquidation Preference") per Preferred Unit equal to the sum of (i) $25 plus (ii) any accumulated, accrued and unpaid distributions (whether or not earned or declared) to the date of final distribution to such holders; but such holders will not be entitled to any further payment or allocation. Until all holders of the Preferred Units have been paid the Liquidation Preference in full, no allocation of income or gain will be made to any holder of Junior Partnership Units upon the liquidation, dissolution or winding up of the Partnership.

(b) If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Partnership, the assets of the Partnership, or proceeds thereof, distributable among the holders of Preferred Units shall be insufficient to pay in full the Liquidation Preference and liquidating payments on any Parity Partnership Units, then following appropriate allocations of Partnership income, gain, deduction and loss, such assets, or the proceeds thereof, shall be distributed among the holders of Preferred Units and any such Parity Partnership Units ratably in the same proportion as the respective amounts that would be payable on such Preferred Units and any such Parity Partnership Units if all amounts payable thereon were paid in full.

(c) A voluntary or involuntary liquidation, dissolution or winding up of the Partnership will not include a consolidation or merger of the Partnership with one or more

partnerships, corporations or other entities, or a sale or transfer of all or substantially all of the Partnership's assets.

(d) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Partnership, after all allocations shall have been made in full to the holders of Preferred Units and any Parity Partnership Units to the extent necessary to enable them to receive their respective liquidation preferences, any Junior Partnership Units shall be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Preferred Units and any Parity Partnership Units shall not be entitled to share therein.

6. ***Redemption.***

(a) Except as set forth in Section 6(l) hereof, the Preferred Units may not be redeemed at the option of the Partnership, and will not be required to be redeemed or repurchased by the Partnership or the Previous General Partner except if a holder of a Preferred Unit effects a Redemption, as provided for in Section 6(b) hereof. The Partnership or the Previous General Partner may purchase Preferred Units from time to time in the open market, by tender or exchange offer, in privately negotiated purchases or otherwise.

(b) On or after the first (1st) anniversary of becoming a holder of Preferred Units, a Qualifying Party shall have the right (subject to the terms and conditions set forth herein) to require the Partnership to redeem all or a portion of the Preferred Units held by such Qualifying Party (such Preferred Units being hereafter "Tendered Units") in exchange (a "Redemption") for REIT Shares issuable on, or the Cash Amount payable on, the Specified Redemption Date, as determined by the Partnership in its sole discretion. Any Redemption shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Qualifying Party when exercising the Redemption right (the "Tendering Party").

(c) If the Partnership elects to redeem Tendered Units for REIT Shares rather than cash, then the Partnership shall direct the Previous General Partner to issue and deliver such REIT Shares to the Tendering Party pursuant to the terms set forth in this Section 6, in which case, (i) the Previous General Partner, acting as a distinct legal entity, shall assume directly the obligation with respect thereto and shall satisfy the Tendering Party's exercise of its Redemption right, and (ii) such transaction shall be treated, for Federal income tax purposes, as a transfer by the Tendering Party of such Tendered Units to the Previous General Partner in exchange for REIT Shares. In making such election to cause the Previous General Partner to acquire Tendered Units, the Partnership shall act in a fair, equitable and reasonable manner that neither prefers one group or class of Tendering Parties over another nor discriminates against a group or class of Tendering Parties. If the Partnership elects to redeem any number of Tendered Units for REIT Shares, rather than cash, on the Specified Redemption Date, the Tendering Party shall sell such number of the Tendered Units to the Previous General Partner in exchange for a number of REIT Shares equal to the REIT Shares Amount for such number of the Tendered Units. The Tendering Party shall submit (i) such information, certification or affidavit as the Previous General Partner may reasonably require in connection with the application of the Ownership Limit and other restrictions and limitations of the Charter to any such acquisition and (ii) such written representations, investment letters, legal opinions or other instruments necessary, in the Previous General Partner's

view, to effect compliance with the Securities Act. The REIT Shares shall be delivered by the Previous General Partner as duly authorized, validly issued, fully paid and accessible REIT Shares, free of any pledge, lien, encumbrance or restriction, other than the Ownership Limit and other restrictions provided in the Charter, the Bylaws of the Previous General Partner, the Securities Act and relevant state securities or "blue sky" laws. Neither any Tendering Party whose Tendered Units are acquired by the Previous General Partner pursuant to this Section 6, any Partner, any Assignee nor any other interested Person shall have any right to require or cause the Previous General Partner or the General Partner to register, qualify or list any REIT Shares owned or held by such Person, whether or not such REIT Shares are issued pursuant to this Section 6, with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange; *provided, however,* that this limitation shall not be in derogation of any registration or similar rights granted pursuant to any other written agreement between the Previous General Partner and any such Person. Notwithstanding any delay in such delivery, the Tendering Party shall be deemed the owner of such REIT Shares for all purposes, including, without limitation, rights to vote or consent, receive dividends, and exercise rights, as of the Specified Redemption Date. REIT Shares issued upon an acquisition of the Tendered Units by the Previous General Partner pursuant to this Section 6 may contain such legends regarding restrictions under the Securities Act and applicable state securities laws as the Previous General Partner in good faith determines to be necessary or advisable in order to ensure compliance with such laws.

(d) The Partnership shall have no obligation to effect any redemption unless and until a Tendering Party has given the Partnership a Notice of Redemption. Each Notice of Redemption shall be sent by hand delivery or by first class mail, postage prepaid, to AIMCO Properties, L.P., c/o AIMCO-GP, Inc., 1873 South Bellaire Street, 17th Floor, Denver, Colorado 80222, Attention: Investor Relations, or to such other address as the Partnership shall specify in writing by delivery to the holders of the Preferred Units in the same manner as that set forth above for delivery of the Notice of Redemption. At any time prior to the Specified Redemption Date for any Redemption, any holder may revoke its Notice of Redemption.

(e) A Tendering Party shall have no right to receive distributions with respect to any Tendered Units (other than the Cash Amount) paid after delivery of the Notice of Redemption, whether or not the record date for such distribution precedes or coincides with such delivery of the Notice of Redemption. If the Partnership elects to redeem any number of Tendered Units for cash, the Cash Amount for such number of Tendered Units shall be delivered as a certified check payable to the Tendering Party or, in the General Partner's sole and absolute discretion, in immediately available funds.

(f) . In the event that the Partnership declines to cause the Previous General Partner to acquire all of the Tendered Units from the Tendering Party in exchange for REIT Shares pursuant to this Section 6 following receipt of a Notice of Redemption (a "Declination"):

(1) The Previous General Partner or the General Partner shall give notice of such Declination to the Tendering Party on or before the close of business on the Cut-Off Date.

(2) The Partnership may elect to raise funds for the payment of the Cash Amount either (a) by requiring that the Previous General Partner contribute such funds from the proceeds of a registered public offering (a "Public Offering Funding") by the Previous General Partner of a number of REIT Shares ("Registrable Shares") equal to the REIT Shares Amount with respect to the Tendered Units or (b) from any other sources (including, but not limited to, the sale of any Property and the incurrence of additional Debt) available to the Partnership.

(3) Promptly upon the General Partner's receipt of the Notice of Redemption and the Previous General Partner or the General Partner giving notice of the Partnership's Declination, the General Partner shall give notice (a "Single Funding Notice") to all Qualifying Parties then holding Preferred Units and having Redemption rights pursuant to this Section 6 and require that all such Qualifying Parties elect whether or not to effect a Redemption of their Preferred Units to be funded through such Public Offering Funding. In the event that any such Qualifying Party elects to effect such a Redemption, it shall give notice thereof and of the number of Preferred Units to be made subject thereon in writing to the General Partner within ten (10) Business Days after receipt of the Single Funding Notice, and such Qualifying Party shall be treated as a Tendering Party for all purposes of this Section 6. In the event that a Qualifying Party does not so elect, it shall be deemed to have waived its right to effect a Redemption for the next twelve months; *provided, however,* that the Previous General Partner shall not be required to acquire Preferred Units pursuant to this Section 6(f) more than twice within any twelve-month period.

Any proceeds from a Public Offering Funding that are in excess of the Cash Amount shall be for the sole benefit of the Previous General Partner and/or the General Partner. The General Partner and/or the Special Limited Partner shall make a Capital Contribution of such amounts to the Partnership for an additional General Partner Interest and/or Limited Partner Interest. Any such contribution shall entitle the General Partner and the Special Limited Partner, as the case may be, to an equitable Percentage Interest adjustment.

(g) Notwithstanding the provisions of this Section 6, the Previous General Partner shall not, under any circumstances, elect to acquire Tendered Units in exchange for REIT Shares if such exchange would be prohibited under the Charter.

(h) Notwithstanding anything herein to the contrary, with respect to any Redemption pursuant to this Section 6:

(1) All Preferred Units acquired by the Previous General Partner pursuant to this Section 6 hereof shall be contributed by the Previous General Partner to either or both of the General Partner and the Special Limited Partner in such proportions as the Previous General Partner, the General Partner and the Special Limited Partner shall determine. Any Preferred Units so contributed to the General Partner shall automatically, and without further action required, be converted into and deemed to be a General Partner Interest comprised of an equal number of Partnership Common Units. Any Preferred Units so contributed to the Special Limited Partner shall be converted into Partnership Common Units.

(2) Subject to the Ownership Limit, no Tendering Party may effect a Redemption for less than five hundred (500) Preferred Units or, if such Tendering Party holds (as

a Limited Partner or, economically, as an Assignee) less than five hundred (500) Preferred Units, all of the Preferred Units held by such Tendering Party.

(3) No Tendering Party may (a) effect a Redemption more than once in any fiscal quarter of a Twelve-Month Period or (b) effect a Redemption during the period after the Partnership Record Date with respect to a distribution and before the record date established by the Previous General Partner for a distribution to its shareholders of some or all of its portion of such Partnership distribution.

(4) Notwithstanding anything herein to the contrary, with respect to any Redemption or acquisition of Tendered Units by the Previous General Partner pursuant to this Section 6, in the event that the Previous General Partner or the General Partner gives notice to all Limited Partners (but excluding any Assignees) then owning Partnership Interests (a "Primary Offering Notice") that the Previous General Partner desires to effect a primary offering of its equity securities then, unless the Previous General Partner and the General Partner otherwise consent, commencement of the actions denoted in Section 6(f) hereof as to a Public Offering Funding with respect to any Notice of Redemption thereafter received, whether or not the Tendering Party is a Limited Partner, may be delayed until the earlier of (a) the completion of the primary offering or (b) ninety (90) days following the giving of the Primary Offering Notice.

(5) Without the Consent of the Previous General Partner, no Tendering Party may effect a Redemption within ninety (90) days following the closing of any prior Public Offering Funding.

(6) The consummation of such Redemption shall be subject to the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(7) The Tendering Party shall continue to own (subject, in the case of an Assignee, to the provision of Section 11.5 of the Agreement) all Preferred Units subject to any Redemption, and be treated as a Limited Partner or an Assignee, as applicable, with respect to such Preferred Units for all purposes of the Agreement, until such Preferred Units are either paid for by the Partnership pursuant to this Section 6 or transferred to the Previous General Partner (or directly to the General Partner or Special Limited Partner) and paid for, by the issuance of the REIT Shares, pursuant to this Section 6 on the Specified Redemption Date. Until a Specified Redemption Date and an acquisition of the Tendered Units by the Previous General Partner pursuant to this Section 6, the Tendering Party shall have no rights as a shareholder of the Previous General Partner with respect to the REIT Shares issuable in connection with such acquisition.

For purposes of determining compliance with the restrictions set forth in this Section 6(h), all Partnership Common Units and Partnership Preferred Units, including Preferred Units, beneficially owned by a Related Party of a Tendering Party shall be considered to be owned or held by such Tendering Party.

(i) In connection with an exercise of Redemption rights pursuant to this Section 6, the Tendering Party shall submit the following to the General Partner, in addition to the Notice of Redemption:

(1) A written affidavit, dated the same date as the Notice of Redemption, (a) disclosing the actual and constructive ownership, as determined for purposes of Code Sections 856(a)(6) and 856(h), of REIT Shares and any other classes or shares of the Previous General Partner by (i) such Tendering Party and (ii) any Related Party and (b) representing that, after giving effect to the Redemption, neither the Tendering Party nor any Related Party will own REIT Shares in excess of the Ownership Limit;

(2) A written representation that neither the Tendering Party nor any Related Party has any intention to acquire any additional REIT Shares or any other class of shares of the Previous General Partner prior to the closing of the Redemption on the Specified Redemption Date; and

(3) An undertaking to certify, at and as a condition to the closing of the Redemption on the Specified Redemption Date, that either (a) the actual and constructive ownership of REIT Shares or any other class of shares of the Previous General Partner by the Tendering Party and any Related Party remain unchanged from that disclosed in the affidavit required by Section 6(i)(a) or (b)) after giving effect to the Redemption, neither the Tendering Party nor any Related Party shall own REIT Shares or other shares of the Previous General Partner in violation of the Ownership Limit.

(j) On or after the Specific Redemption Date, each holder of Preferred Units shall surrender to the Partnership the certificate evidencing such holder's Preferred Units, at the address to which a Notice of Redemption is required to be sent. Upon such surrender of a certificate, the Partnership shall thereupon pay the former holder thereof the applicable Cash Amount and/or deliver REIT Shares for the Preferred Units evidenced thereby. From and after the Specific Redemption Date (i) distributions with respect to the Preferred Units shall cease to accumulate, (ii) the Preferred Units shall no longer be deemed outstanding, (iii) the holders thereof shall cease to be Partners to the extent of their interest in such Preferred Units, and (iv) all rights whatsoever with respect to the Preferred Units shall terminate, except the right of the holders of the Preferred Units to receive Cash Amount and/or REIT Shares therefor, without interest or any sum of money in lieu of interest thereon, upon surrender of their certificates therefor.

(k) Notwithstanding the provisions of this Section 6, the Tendering Parties (i) shall not be entitled to elect or effect a Redemption where the Redemption would consist of less than all the Preferred Units held by Partners and, to the extent that the aggregate Percentage Interests of the Limited Partners would be reduced, as a result of the Redemption, to less than one percent (1%) and (ii) shall have no rights under the Agreement that would otherwise be prohibited under the Charter. To the extent that any attempted Redemption would be in violation of this Section 6(k), it shall be null and void ab initio, and the Tendering Party shall not acquire any rights or economic interests in REIT Shares otherwise issuable by the Previous General Partner hereunder.

(l) Notwithstanding any other provision of the Agreement, on and after the date on which the aggregate Percentage Interests of the Limited Partners (other than the Special Limited Partner) are less than one percent (1%), the Partnership shall have the right, but not the obligation, from time to time and at any time to redeem any and all outstanding Limited Partner Interests (other than the Special Limited Partner's Limited Partner Interest) by treating any Limited Partner as a Tendering Party who has delivered a Notice of Redemption pursuant to this Section 6 for the amount of Preferred Units to be specified by the General Partner, in its sole and absolute discretion, by notice to such Limited Partner that the Partnership has elected to exercise its rights under this Section 6(l). Such notice given by the General Partner to a Limited Partner pursuant to this Section 6(l) shall be treated as if it were a Notice of Redemption delivered to the General Partner by such Limited Partner. For purposes of this Section 6(l), (a) any Limited Partner (whether or not eligible to be a Tendering Party) may, in the General Partner's sole and absolute discretion, be treated as a Tendering Party and (b) the provisions of Sections 6(f)(1), 6(h)(2), 6(h)(3) and 6(h)(5) hereof shall not apply, but the remainder of this Section shall apply, mutatis mutandis.

7. *Status of Reacquired Units.*

All Preferred Units which shall have been issued and reacquired in any manner by the Partnership shall be deemed cancelled and no longer outstanding.

8. *General.*

The ownership of the Preferred Units shall be evidenced by one or more certificates in the form of Annex II hereto. The General Partner shall amend Exhibit A to the Agreement from time to time to the extent necessary to reflect accurately the issuance of, and subsequent redemption, or any other event having an effect on the ownership of, the Class Three Partnership Preferred Units.

9. *Allocations of Income and Loss.*

Subject to the terms of Section 5 hereof, for each taxable year, (i) each holder of Preferred Units will be allocated, to the extent possible, net income of the Partnership in an amount equal to the distributions made on such holder's Preferred Units during such taxable year, and (ii) each holder of Preferred Units will be allocated its pro rata share, based on the portion of outstanding Preferred Units held by it, of any net loss of the Partnership that is not allocated to holders of Partnership Common Units or other interests in the Partnership.

10. *Voting Rights.*

Except as otherwise required by applicable law or in the Agreement, the holders of the Preferred Units will have the same voting rights as holders of the Partnership Common Units. So long as any Preferred Units are outstanding, for purposes of determining the Consent of Limited Partners under the Agreement, the "Majority in Interest of the Limited Partners" shall have the meaning set forth in Section 2 hereof. As long as my Preferred Units are outstanding, in addition to any other vote or consent of partners required by law or by the Agreement, the affirmative vote or consent of holders of at least 50% of the outstanding Preferred Units will be necessary for effecting any amendment of any of the provisions of the Partnership Unit Designation of the

Preferred Units that materially and adversely affects the rights or preferences of the holders of the Preferred Units. The creation or issuance of any class or series of Partnership units, including, without limitation, any Partnership units that may have rights junior to, on a parity with, or senior or superior to the Preferred Units, will not be deemed to have a material adverse effect on the rights or preferences of the holders of Preferred Units. With respect to the exercise of the above described voting rights, each Preferred Unit will have one (1) vote per Preferred Unit.

11. ***Restrictions on Transfer.***

Preferred Units are subject to the same restrictions on transfer as are, and the holders of Preferred Units shall be entitled to the same rights of transfer as are, applicable to Common Units as set forth in the Agreement.

ANNEX I
TO EXHIBIT P

NOTICE OF REDEMPTION

To: AIMCO Properties, L.P.
c/o AIMCO-GP, Inc.
1873 South Bellaire Street
17th Floor
Denver, Colorado 80222
Attention: Investor Relations

The undersigned Limited Partner or Assignee hereby irrevocably tenders for redemption Class Three Partnership Preferred Units in AIMCO Properties, L.P. in accordance with the terms of the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 29, 1994, as it may be amended and supplemented from time to time (the "Agreement"). All capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Partnership Unit Designation of the Class Three Partnership Preferred Units. The undersigned Limited Partner or Assignee:

(a) if the Partnership elects to redeem such Class Three Partnership Preferred Units for REIT Shares rather than cash, hereby irrevocably transfers, assigns, contributes and sets over to Previous General Partner all of the undersigned Limited Partner's or Assignee's right, title and interest in and to such Class Three Partnership Preferred Units;

(b) undertakes (i) to surrender such Class Three Partnership Preferred Units and any certificate therefor at the closing of the Redemption contemplated hereby and (ii) to furnish to Previous General Partner, prior to the Specified Redemption Date:

(1) A written affidavit, dated the same date as this Notice of Redemption, (a) disclosing the actual and constructive ownership, as determined for purposes of Code Sections 856(a)(6) and 856(h), of REIT Shares by (i) the undersigned Limited Partner or Assignee and (ii) any Related Party and (b) representing that, after giving effect to the Redemption, neither the undersigned Limited Partner or Assignee nor any Related Party will own REIT Shares in excess of the Ownership Limit;

(2) A written representation that neither the undersigned Limited Partner or Assignee nor any Related Party has any intention to acquire any additional REIT Shares prior to the closing of the Redemption contemplated hereby on the Specified Redemption Date; and

(3) An undertaking to certify, at and as a condition to the closing of the Redemption contemplated hereby on the Specified Redemp-

tion Date, that either (a) the actual and constructive ownership of REIT Shares by the undersigned Limited Partner or Assignee and any Related Party remain unchanged from that disclosed in the affidavit required by paragraph (1) above, or (b) after giving effect to the Redemption contemplated hereby, neither the undersigned Limited Partner or Assignee nor any Related Party shall own REIT Shares in violation of the Ownership Limit.

(c) directs that the certificate representing the REIT Shares, or the certified check representing the Cash Amount, in either case, deliverable upon the closing of the Redemption contemplated hereby be delivered to the address specified below;

(d) represents, warrants, certifies and agrees that:

(i) the undersigned Limited Partner or Assignee has, and at the closing of the Redemption will have, good, marketable and unencumbered title to such Preferred Units, free and clear of the rights or interests of any other person or entity;

(ii) the undersigned Limited Partner or Assignee has, and at the closing of the Redemption will have, the full right, power and authority to tender and surrender such Preferred Units as provided herein; and

(iii) the undersigned Limited Partner or Assignee has obtained the consent or approval of all persons and entities, if any, having the right to consent to or approve such tender and surrender.

Dated: _____

Name of Limited Partner or Assignee:

_____

_____
(Signature of Limited Partner or Assignee)

_____
(Street Address)

_____
(City) (State) (Zip Code)

(continued on the next page)

Issue check payable to or Certificates in the name of: _____

Please insert social security or identifying number: _____

Signature Guaranteed by:

_____

NOTICE: THE SIGNATURE OF THIS NOTICE OF REDEMPTION MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE FOR THE CLASS THREE PREFERRED UNITS WHICH ARE BEING REDEEMED IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

THE SIGNATURE SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions), WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM PURSUANT TO SEC RULE 17Ad-15.

ANNEX II
TO EXHIBIT P

FORM OF UNIT CERTIFICATE
OF
CLASS THREE PARTNERSHIP PREFERRED UNITS

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE PARTNERSHIP AN OPINION OF COUNSEL SATISFACTORY TO THE PARTNERSHIP, IN FORM AND SUBSTANCE SATISFACTORY TO THE PARTNERSHIP, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS. IN ADDITION, THE LIMITED PARTNERSHIP INTEREST EVIDENCED BY THIS CERTIFICATE MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE RESTRICTIONS ON TRANSFER SET FORTH IN THE THIRD AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF AIMCO PROPERTIES, L.P., DATED AS OF JULY 29, 1994, AS IT MAY BE AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME, A COPY OF WHICH MAY BE OBTAINED FROM AIMCO- GP, INC, THE GENERAL PARTNER, AT ITS PRINCIPAL EXECUTIVE OFFICE.

Certificate Number _____

AIMCO PROPERTIES, L.P.
FORMED UNDER THE LAWS OF THE STATE OF DELAWARE

This certifies that _____

is the owner of _____

CLASS THREE PARTNERSHIP PREFERRED UNITS
OF
AIMCO PROPERTIES, L.P.,

transferable on the books of the Partnership in person or by duly authorized attorney on the surrender of this Certificate properly endorsed. This Certificate and the Class Three Partnership Preferred Units represented hereby are issued and shall be held subject to all of the provisions of the Agreement of Limited Partnership of AIMCO Properties, L.P., as the same may be amended and/or supplemented from time to time.

IN WITNESS WHEREOF, the undersigned has signed this Certificate.

Dated: By_____

ASSIGNMENT

For Value Received, _____ hereby sells, assigns and transfers unto _____ _____ Class Three Partnership Preferred Unit(s) represented by the within Certificate, and does hereby irrevocably constitute and appoint the General Partner of AIMCO Properties, L.P. as its Attorney to transfer said Class Three Partnership Preferred Unit(s) on the books of AIMCO Properties, L.P. with full power of substitution in the premises.

Dated: _____

By: _____
Name:

Signature Guaranteed by:

_____

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

THE SIGNATURE SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions), WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM PURSUANT TO SEC RULE 17Ad-15.

EXHIBIT "B"

INVESTOR LIMITED PARTNER LETTER

See Attached

July __, 1999

Peter Kompaniez
Apartment Investment and Management Company
AIMCO Properties, L.P.
1873 South Bellaire Street, 17th Floor
Denver, Colorado 80222-4348

Re: Potential Sophisticated Investors

Dear Mr. Kompaniez:

Reference is made to those certain Acquisition and Contribution Agreements and Joint Escrow Instructions (collectively, the "Contribution Agreements"), each dated as of March 22, 1999, among AIMCO Properties, L.P. ("AIMCO OP"), and the "General Partners," the "Regency LPs" and the "Manager" (as such latter three terms are defined in the individual Contribution Agreements), relating to the fourteen Regency partnerships listed on Schedule I hereto. Pursuant to Section 4.3.6 of the Contribution Agreements, AIMCO OP may offer Partnership Common Units and Class Three Partnership Preferred Units to all Investor Limited Partners (as defined in the Contribution Agreement), who AIMCO OP reasonably believes, based upon information provided by us, has the requisite level of business sophistication to qualify as Accredited Investors (as defined under the Federal securities laws).

Based on our personal knowledge or on the knowledge of our agents or representatives, we believe that the individuals listed on Schedule II, attached hereto, have such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment in AIMCO

OP's Partnership Common Units and Class Three Partnership Preferred Units. We do not represent that these individuals are Accredited Investors, however, and understand that you will obtain appropriate representations to such effect prior to selling securities to such individuals.

Very truly yours,

SCHEDULE 4.2.1

TITLE COMMITMENT

See Attached

This is a pro forma Policy, which provides no insurance coverage, furnished to or on behalf of the proposed insured. This pro forma Policy does not reflect the present status or condition of title and is not a commitment to insure the estate or interest or to provide any affirmative coverage shown herein. Any commitment must be an express written undertaking issued on the appropriate forms of the Company. This pro forma Policy solely indicates the form and content of the Policy which the Company may issue if all necessary documents are furnished, all acts are performed, and all requirements set forth in the title commitment covering this property (or that may be required by underwriting) are met to the satisfaction of the Company.

SCHEDULE A

File # 991600313 **Policy Number O-Proforma**

Amount of Insurance: $ Amount To Be Determined by AIMCO **Date of Policy: Date and time of Closing**

1. **Name of Insured:**

   [Name of Entity to be Designated by Transferee],
   and,
   Regency Michigan Meadows Limited Partnership, an Indiana limited partnership, subject to the rights of the partnership

2. **The estate or interest in the land which is covered by this policy is:**

   Fee Simple

3. **Title to the estate or interest in the land is vested in:**

   [Name of Entity to be Designated by Transferee]

4. **The land referred to in this policy and described as follows:**

   Parcel I:
   A part of the South Half of the Northwest Quarter of Section 5, Township 15 North, Range 3 East of the Second Principal Meridian in Marion County, Indiana, more particularly described as follows, to-wit:

   Beginning at the Northeast corner of said Half Quarter Section; thence South 01 degrees 53 minutes 21 seconds West (assumed bearing) on and along the East line of said Quarter Section 812.95 feet to the centerline of Michigan Street as established by previous deeds, said point being North 01 degrees 53 minutes 21 seconds East 735.11 feet from the Southeast corner of the Northwest Quarter of said Section; thence North 90 degrees 00 minutes 00 seconds West 416.71 feet to the Indianapolis Department of Transportation (I.D.O.T.) right-of-way as per project S.T. 23-001 "A" and recorded in Instrument Number 73-9410; thence North 02 degrees 07 minutes 40 seconds West with the right-of-way project S. T. 23-001 "A" 30.02 feet; thence North 84 degrees 21 minutes 42 seconds West 100.50 feet; thence South 89 degrees 55 minutes 40 seconds West 180.00 feet leaving the I.D.O.T. right-of-way per Instrument Number 73-9410 and continuing on I.D.O.T. right-of-way per Instrument Number 73-9408; thence North 50

Schedule A Continued

degrees 23 minutes 09 seconds West 73.70 feet; thence North 02 degrees 07 minutes 40 seconds East 253.04 feet; thence North 03 degrees 16 minutes 25 seconds East 197.87 feet leaving I.D.O.T. right-of-way per Instrument Number 73-9408 and continuing on I.D.O.T. right-of-way per Instrument Number 73-9410; thence North 02 degrees 07 minutes 40 seconds East 40.00 feet; thence North 04 degrees 59 minutes 25 seconds East 120.15 feet; thence North 28 degrees 41 minutes 34 seconds East 44.72 feet; thence North 05 degrees 13 minutes 43 seconds West 78.61 feet to the North line of said Half Quarter Section; thence South 89 degrees 51 minutes 57 seconds East leaving I.D.O.T. right-of-way and on and along the North line of said Half Quarter Section 734.48 feet to the point of beginning.

Parcel II:
A part of Lot 8 in Zadok Tomlinson Estate Partition of the South Half of the Northwest Quarter of Section 5, Township 15 North, Range 3 East of the Second Principal Meridian in Marion County, Indiana, more particularly described as follows, to-wit:

Commencing at the Southeast corner of said Northwest Quarter; thence North 01 degrees 53 minutes 21 seconds East on and along the East line of said Quarter Section 735.11 feet to the centerline of Michigan Street as described by previous deed; thence North 90 degrees 00 minutes 00 seconds West 235.88 feet to the point of beginning of this description; thence South 2 degrees 01 minutes 47 seconds West 368.16 feet; thence South 89 degrees 51 minutes 30 seconds West 181.94 feet; thence North 1 degree 53 minutes 21 seconds East parallel to the East line of said Quarter Section 368.58 feet to the center line of Michigan Street as described by previous deed; thence South 90 degrees 00 minutes 00 seconds East 182.82 feet to the point of beginning.

SCHEDULE B
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Taxes for the second half of the year 1998 due and payable in 1999, a lien not yet due and payable. (Parcel Numbers 900-9011035; 900-9010112; 900-9009215; 900-9000076; 900-9009319)

2. Any and all rights and/or obligations of Regency Michigan Meadows Limited Partnership, an Indiana limited partnership, including but not limited to the unrecorded Wrap Obligation as defined in the Michigan Meadows Master Schedule within the Acquisition and Contribution Agreement and Joint Escrow Instructions dated March 22, 1999.

3. Rights of the public in and to that portion of the insured premises lying within the bounds of Michigan Street.

4. Agreement for Construction of Sanitary Sewer Under Private Contract, recorded June 14, 1963, in Deed record 1999, Page 668, in the Office of the Recorder of Marion County, Indiana.

5. Easement for public utilities, recorded July 11, 1963, in Deed Record 2005, Page 257, in the Office of the Recorder of Marion County, Indiana.

6. Agreement for Construction of Sanitary Sewer Under Private Contract, recorded March 5, 1965, as Instrument Number 65-10299, in the Office of the Recorder of Marion County, Indiana.

7. Sewer Service Agreement, recorded March 5, 1965, as Instrument Number 65-10300, in the Office of the Recorder of Marion County, Indiana.

8. Agreement for Construction of Sanitary Sewer Under Private Contract, recorded May 4, 1965, as Instrument Number 65-20404, in the Office of the Recorder of Marion County, Indiana.

9. Sewer Service Agreement, recorded May 4, 1965, as Instrument Number 65-20405, in the Office of the Recorder of Marion County, Indiana.

10. Permanent extinguishment of all rights and easements of ingress and egress to, from, over and across the limited access facility known as Holt Road (Project No. DOT-ST-23-001 "A") to and from the premises as set forth in an Instrument recorded February 20, 1973, as Instrument Number 73-9409 and in Instrument Number 73-9410, in the Office of the Recorder of Marion County, Indiana.

11. Grant of Perpetual Easement, recorded June 14, 1977, as Instrument Number 77-35479, in the Office of the Recorder of Marion County, Indiana.

12. Memorandum of Lease by and between Roy H. Lambert and David C. Eades, d/b/a Regency Michigan Meadows, Limited, an Indiana Limited Partnership and March Village Pantries, Inc., dated December 15, 1980 and recorded on January 12, 1981, as Instrument Number 8101970 and amended by Amendment to Memorandum of Lease, dated June 16, 1988 and recorded on July 7, 1988, as Instrument Number 880066611, in the Office of the Recorder of Marion County, Indiana.

Schedule B Continued

13. Rights of tenants, as tenants only, under prior unrecorded leases, with no options to purchase, rights of first offer, or right of first refusal.

14. Mortgage executed by Roy H. Lambert and David C. Eades in favor of John Alden Life Insurance Company, showing an original principal amount of $2,000,000.00, dated October 25, 1985 and recorded November 1, 1985, as Instrument Number 850095910 and amended by Amended and Restated Real Estate Mortgage and Security Agreement dated July 24, 1992 and recorded on July 30, 1992, as Instrument Number 920099543 and assigned to Sunamerica Life Insurance Company, dated February 28, 1997 and recorded on May 29, 1997 as Instrument Number 970072109, in the Office of the Recorder of Marion County, Indiana.

15. Collateral Assignment of Rents and Leases executed by Roy H. Lambert and David C. Eades, in favor of John Alden Life Insurance Company, dated October 25, 1985 and recorded on November 1, 1985 as Instrument Number 850095911 and amended by Amended and Restated Collateral Assignment of Rents and Leases, dated July 24, 1992 and recorded on July 30, 1992 as Instrument Number 920099544, in the Office of the Recorder of Marion County, Indiana.

16. Financing Statement and Security Agreement filed July 30, 1992, as Number 008318, by Roy H. Lambert and David C. Eades, Debtors, to John Alden Life Insurance Company, as Secured Party, and Continued and Assigned to Sunamerica Life Insurance Company by document filed June 20, 1997 as Number 005050, in the Office of the Recorder of Marion County, Indiana.

17. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities:
    a) to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
    b) to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
    c) to filled-in lands, or artificial islands, or
    d) to statutory water rights, including riparian rights, or
    e) to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.

18. Indianapolis Power & Light Company transmission line easement as shown in Cause No. 44555 filed in the Circuit Court of Marion County, Indiana on April 7, 1930.

19. Those matters as shown on survey prepared by Radu M.S. Irimescu, R.L.S. No. 29500023, dated May 13, 1999, last revised _____, 1999, designated Job No. 9179, as follows:
    a.) Light poles;
    b.) Wood power poles;
    c.) Overhead electric lines;
    d.) Water valves;
    e.) Gas valves;
    f.) Catch basins;
    g.) Fire hydrants;
    h.) Guy wires;

Schedule B Continued

As to Items a through h, the Company insures the Insured against loss, if any, sustained by the Insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that orders the removal of this improvement.

i.) Fence encroachment over property line from .9 feet to 2.4 feet;

The Company insures the Insured against loss, if any, sustained by the Insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that orders the removal of this improvement because it encroaches over the West property line.

ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company hereby insures the Insured as shown on Schedule A against loss or damage which the insured shall sustain by reason of the failure of (i) an apartment complex known as 3800 West Michigan Street, Indianapolis, Indiana and a commercial building known as 3801-3823 West Michigan Street, Indianapolis, Indiana, to be located on the land at Date of Policy, or (ii) the map attached to this policy to correctly show the location and dimensions of the land according to the public records.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

FAIRWAY ENDORSEMENT
Attached to Owner's Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

PARTNERSHIP - PERMITTED TRANSFER ENDORSEMENT

The Company hereby assures and agrees with the insured that, notwithstanding anything to the contrary contained in this Policy, in the event of loss or damage insured against under this Policy, the Company shall not deny liability under this Policy to the insured on the ground that after the Effective Date of this Policy a dissolution or termination of the insured partnership has occurred or a new partnership has been formed solely by reason of any one or more transfers of all or any part of the partnership interests of:

(i) any one or more of the general partners of the insured to a Designated Transferee and/or;
(ii) any one or more of the limited partner(s) of the insured and/or;
(iii) any one or more of the limited partner's interest to the current general partner or a Designated Transferee (hereafter called "Permitted Transfers").

The Company hereby agrees that it shall be and remain liable to any successor of the named insured resulting from any such Permitted Transfer, in accordance with all of the terms and provisions of this Policy, notwithstanding any such transfer of partnership interests or admission of new or substituted general or limited partners. The benefits of the insurance coverage provided for herein shall be limited to the Date of the Policy and shall be subject to the Exclusions From Coverage, the Schedules and the Conditions and Stipulations of the Policy, and any rights or defenses the Company would have had against the named insured or its constituent partners before or after any withdrawal or substitution thereof.

This Endorsement should not be construed as providing any insurance (a) as to matters attaching or created after date of Policy; or (b) as to the status of the insured after any permitted transfer.

This Endorsement is made a part of the Commitment or Policy. It is subject to all the terms of the Commitment or Policy and prior endorsements. Except as expressly stated on this Endorsement, the terms, dates and amount of the Commitment or Policy and prior endorsements are not changed.

Authorized Signatory

STEWART TITLE GUARANTY COMPANY

ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company assures the insured that the land is the same as that delineated on the plat of a survey made by Radu M.S. Irimescu, R.L.S. No. 29500023, dated May 13, 1999, last revised _____, 1999, designated Job No. 9179.

The Company hereby insures the insured against loss which the insured shall sustain in the event that the assurance herein shall prove to be incorrect.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

ACCESS ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company insures the insured that said land has legal and physical access and abuts upon a physically open street known as West Michigan Street.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

NON-IMPUTATION ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company hereby assures [Name of Entity to be Designated by Transferee] and Regency Michigan Meadows Limited Partnership, an Indiana limited partnership, that the Company will not deny liability thereunder to said insured under paragraph 3(b) of the Exclusions from Coverage on the ground that said insured had knowledge of any matter solely by reason of notice thereof imputed to it through Roy H. Lambert and David C. Eades (the "Other Person") by operation of law.

Provided, however, that Company shall have no liability under this Endorsement to the Other Person and all rights of subrogation and indemnity the Company may have against the Other Person shall not be affected hereby.

In the event of loss under this Endorsement, the amount of such loss paid by the Company shall be equal to the actual loss (as determined under the Conditions and Stipulations of the Policy) less a percentage of such loss equal to the percentage of partnership interest in the Insured [then owned] owned at Date of Policy by Other Person.

The total liability of the Company under said Policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said Policy and costs which the Company is obligated under the Conditions and Stipulations thereof to pay.

Nothing herein contained shall be construed as extending or changing the Effective Date of said Policy, unless otherwise expressly stated.

This Endorsement, when approved as above stated and countersigned below by a validating signatory, is made a part of said Policy and is subject to the Exclusions from Coverage (except to the extent paragraph 3(b) of the Exclusions is modified hereby; no other Exclusion being limited by this Endorsement), the Conditions and Stipulations, and the Exceptions in the Schedules.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

TAX PARCEL ENDORSEMENT
ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company insures that the property described in Schedule A, is not taxed together with any other real property and constitutes separate taxed parcels for real property taxes levied by the Marion County, Indiana.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of the failure of the land described as Parcels I and II in Schedule A to constitute a lawfully created parcel according to the Subdivision Map Act (Chapter 3 of Article 7 of Title 36 of the Indiana Code) and local ordinances adopted pursuant thereto.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

ENDORSEMENT

Attached to and made a part of Policy No.

Issued by

STEWART TITLE GUARANTY COMPANY

HEREIN CALLED THE COMPANY

The Company hereby insures said Insured against loss which said Insured shall sustain in the event that the insurance herein shall prove to be incorrect:

The Company insures that Parcels I and II described in Schedule A are contiguous to each other with no gores, hiatus or gaps between said parcels.

The total liability of the Company under said Policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said Policy and costs which the Company is obligated under the Conditions and Stipulations thereof to pay.

This Endorsement is made a part of said Policy and is subject to the Exclusions, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

_____

Authorized Signatory

STEWART TITLE GUARANTY COMPANY

ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company insures the insured against loss or damage sustained by reason of:

1.The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:

(a)Present violations on the land of any enforceable covenants, conditions or restrictions, or any existing improvements on the land which violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.

(b)Any instrument referred to in Schedule B as containing convenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter or right of forfeiture because of violations on the land of any enforceable covenants, conditions or restrictions.

(c)Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.

(d)Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.

(e)Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.

2.Damage to existing buildings:

(a)Which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which is was granted or reserved;

(b)Resulting from the future exercise of any right existing at Date of Policy to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

3.Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment, other than fences, landscaping or driveways, excepted in Schedule B.

4.Any final court order or judgment denying the right to maintain any existing building on the land because of any violation of covenants, conditions or restrictions or buildings setback lines shown on a plat of subdivision recorded or filed in the public records.

STEWART TITLE GUARANTY COMPANY

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraph 1(a) and 4, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any convenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Authorized Signatory

STEWART TITLE GUARANTY COMPANY

ENDORSEMENT
Attached to Policy No.

Issued by
STEWART TITLE GUARANTY COMPANY
HEREIN CALLED THE COMPANY

The Company hereby insures the insured as shown in paragraph 1 of Schedule A against loss which the insured shall sustain in the event that the owner of the easement referred to paragraph 3 of Schedule B shall, for the purpose of maintaining and repairing the existing sewer line within said easement, compel the removal of any portion of the improvements on the land which encroach upon said easement.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____
Authorized Signatory

STEWART TITLE GUARANTY COMPANY

REQUIREMENTS TO BE SATISFIED AT OR PRIOR TO CLOSING

This proforma has been prepared based upon the following requirements being satisfied:

1. Transferor must provide any updated and supplemental Partnership Certificates, Certificates of Good Standing, Existence, and/or Authorization documents and furnish Partnership Resolutions at closing.

2. Transferee must provide Certificates of Good Standing, Existence, and/or Authorization documents and furnish Partnership Resolutions at closing.

3. Any defect, lien, or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of the Commitment issued for this transaction must be satisfied by Transferor unless such defect, lien, or other matter is caused by the Transferee, or its agents, in which case the Transferee will satisfy.

4. Upon execution of the Affidavit as to Debts and Liens by the General Partners of the Transferor, on behalf of themselves (as limited by the Affidavit) and the Limited Partnership, and by the General Partners for the Transferee, in a format approved by the Company, the Non-Imputation Endorsement will be issued, the standard mechanic's lien exception will be deleted and "Rights of parties and/or tenants in possession" exception will be amended to that as shown within this Proforma.

5. All taxes and special assessments will be verified prior to closing. Any items found due and payable will be collected from the Transferor or Transferee (as required pursuant to the Acquisition and Contribution Agreement) at closing and paid to the applicable taxing authority. The tax exception shown within this Proforma may be subject to revision based upon when taxes and assessments are due.

6. Deed from David C. Eades and Roy H. Lambert to an entity to be designated by Transferee prior to closing to be filed of record.

7. Transferor and Transferee must both execute a Settlement Statement any other documents customary to the closing of this transaction.

SCHEDULE 4.2.2

NON-IMPUTATION AFFIDAVIT

See Attached

AFFIDAVIT AS TO DEBTS AND LIENS

In connection with the transfer by _____ and _____ (the "Existing General Partners") of their partnership interests in _____ (the "Partnership") to AIMCO Properties, L.P. or its designee ("Transferee") pursuant to the Acquisition and Contribution Agreement dated _____, 1999, among _____ and Transferee (the "Contribution Agreement"), Stewart Title Guaranty Company, hereafter referred to as "the Company," has been requested to issue Title Insurance Policy No. _____ (the "Title Insurance Policy") to _____ (the "Insured"), insuring title to the estate in the real property identified therein (such estate being referred to as the "Real Property") in the Partnership, together with a "Non-Imputation Endorsement," sometimes hereafter referred to as "the Endorsement," pursuant to which the Company agrees that notwithstanding the terms of the Conditions and Stipulations or the Exclusions from Coverage of the Title Insurance Policy to the contrary, in the event of loss or damage insured against the Title Insurance Policy, the Company will not deny its liability thereunder to the Insured under Paragraph 3(b) of the Exclusions on the ground that said Insured had knowledge of any matter solely by reason of notice thereof imputed to it through the Existing General Partners, all as more fully set forth in the Endorsement.

AND WHEREAS, the Company would refrain from issuing the Endorsement to the Title Insurance Policy in the absence of the representations and agreements contained herein.

NOW, THEREFORE, the undersigned, who consist of the Existing General Partners and the Partnership (as composed immediately prior to the date of the Title Insurance Policy (as so composed, the "Pre-Closing Partnership")), as a material inducement to the Company to issue the Title Insurance Policy with the Endorsement, on this date personally appeared, and being duly sworn on oath, depose and say, as of the date of the Title Insurance Policy, as follows:

That, to the General Partner's Knowledge (as hereinafter defined), the Existing General Partners have done nothing, nor caused the Partnership to do anything, to create any lien, encumbrance, transfer of interest, constructive trust or other equity in the Real Property not disclosed in the Company's title insurance commitment No. _____ (the "Commitment"), dated _____, 1999, or in the Public Records (collectively, "Matters of Record"), nor to the General Partner's Knowledge (as hereinafter defined), do the Existing General Partners or the Pre-Closing Partnership have any knowledge of any such adverse interests not disclosed in Matters of Record, except for the following matters:

(a) All matters disclosed in the survey, dated _____, 1999 (Job No. _____), prepared by _____;

(b) Permitted Exceptions (as such term is defined in the Contribution Agreement);

(c) All matters disclosed in the Contribution Agreement or pursuant thereto to the Transferee, or otherwise disclosed in writing to the Transferee prior to the date of the Title Insurance Policy; and

(d) All matters disclosed in Schedules 1, 2 or 3 attached hereto[1].

The foregoing matters and the Matters of Record are collectively referred to herein as the "Disclosed Matters."

Further, the Existing General Partners and the Pre-Closing Partnership represent and affirm as of the date of the Title Insurance Policy, to the General Partner's Knowledge, except for the Disclosed Matters, as follows:

1. That the Partnership's possession of the Real Property has been peaceable and undisturbed, and that the Partnership's title to the Real Property has never been disputed or questioned.

2. That there are not any (i) delinquent real estate taxes affecting the Real Property; or (ii) delinquent assessments on the Real Property, including but not limited to those for trees, sidewalks, streets, sewers and water lines, except, in either such case, for (i) those for which adjustments have been made in connection with the pricing for or closing of the transfer of partnership interests in the Partnership to the Transferee pursuant to the Contribution Agreement or which have otherwise been accepted by the Transferee or (ii) those disclosed in Schedule 2 attached hereto.

3. That the Partnership has not contracted for, received any notice regarding, and does not know of any improvement, alteration or change made in or about the Real Property, other than the maintenance and upkeep of such property, except for (i) work for which adjustments have been made in connection with the pricing for or closing of the transfer of partnership interests in the Partnership to the Transferee pursuant to the Contribution Agreement or which has otherwise been accepted by the Transferee, (ii) work being done in the ordinary course of business, for which, in the ordinary course of business, payment has not yet been made, or (iii) as described in Schedule 3 attached hereto.

4. That the Partnership has not contracted for nor has there been any new construction or repair work performed on the Real Property for at least 90 days that has not been paid for, except for (i) work for which adjustments have been made in connection with the pricing for or closing of the transfer of partnership interests in the Partnership to the Transferee pursuant to the Contribution Agreement or which

[1] Schedules 1, 2, and 3 will be completed only in connection with the Closing, and will disclose only matters which either (i) have already been disclosed in writing to the Title Company or Transferee prior to the Reinstatement Date or (ii) matters which may be incurred by the Partnership without breach of the Contribution Agreement.

has otherwise been accepted by the Transferee, (ii) work being done in the ordinary course of business, for which, in the ordinary course of business, payment has not yet been made, or (iii) as described in Schedule 3 attached hereto.

5. That there are not any unpaid bills or claims for labor, services, or materials; nor any unrecorded mortgages, chattel mortgages, conditional bills of sale, retention of title agreements, security agreements, agreements not to sell or encumber, financing statements, or personal property leases which affect the Partnership's interest in the Real Property or in any fixtures, appliances, or equipment now installed in or on the Real Property, except for (i) matters for which adjustments have been made in connection with the pricing for or closing of the transfer of partnership interests in the Partnership to the Transferee pursuant to the Contribution Agreement or which have otherwise been accepted by the Transferee, (ii) bills or claims for work being done in the ordinary course of business, for which, in the ordinary course of business, payment has not yet been made, or (iii) as described in Schedule 3 attached hereto.

6. That no other party has possession of the Real Property, or has right of possession under any tenancy, lease or other agreement, written or oral, except as disclosed in or pursuant to the Contribution Agreement or in another document delivered to the Transferee pursuant thereto or otherwise delivered to the Transferee prior to the date of the Title Insurance Policy.

7. That the Partnership is not a non-resident alien, foreign corporation, foreign partnership or other foreign entity as those terms are defined in the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

8. That there have been no documents recorded in the public records by the Partnership subsequent to the effective date of the Commitment which affect title to the Real Property, except as required or permitted under the Contribution Agreement.

All statements, representations, affirmations or certifications made herein which are qualified by the words "to the General Partner's Knowledge" or words of similar import shall be deemed to be qualified and limited as follows: such statements, representations, affirmations and certifications are qualified by and limited to the actual knowledge of the individuals identified on Exhibit "Q" attached to the Contribution Agreement and made a part thereof (the "Knowledge Parties"), without inquiry and without imputation of knowledge from any other person.

This Affidavit is given to induce the Company to issue the Title Insurance Policy and the Endorsement in reliance of the accuracy of this Affidavit. The Existing General Partners and the Pre-Closing Partnership agree to pay the Company against any loss, costs, damages and expenses incurred by reason of the Company's reliance on the statements contained herein. No third party other than the Company is entitled to rely hereon.

By the acceptance of this Affidavit and the issuance of the Title Insurance Policy and the Endorsement, the Company, the Transferee, and any other person or entitiy who may claim to rely on this Affidavit agree that the Existing General Partners have no personal liability hereunder or pursuant hereto (whether directly or on account of any statements, representations, affirmations or certifications made by the Pre-Closing Partnership) and agree to look solely to the Partnership and the assets of the Partnership for any claims or liabilities arising under or relating to this Affidavit, except for claims, liabilities, actions, causes of action, damages, judgments, costs or expenses arising from fraud or willful malfeasance by the Existing General Partners. If the Company or any other person shall commence any action or proceeding against any of the Existing General Partners for any claim arising out of this Affidavit other than for fraud or willful misfeasance, the Existing General Partner shall be entitled to recover from the Company or such other person all costs and expenses incurred by it with respect to such action or claim, including, without limitation, reasonable attorneys' fees, charges, disbursements and expenses.

EXISTING GENERAL PARTNERS

PRE-CLOSING PARTNERSHIP

a _____limited partnership

By: ,
general partner

By: ,
general partner

ACKNOWLEDGED.
POST-CLOSING PARTNERSHIP

_____,

a _____limited partnership

By:,
general partner

By:,
general partner

ACCEPTED AND AGREED.
STEWART TITLE GUARANTY COMPANY

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 1999, by _____, the _____ of _____ on behalf of _____.

Notary Public

SCHEDULE 4.5.1

EMPLOYEES

See Attached

Property	Last Name	First Name	Title	Status
Michigan Meadows	Doney	Jack	Grounds	Include
	Goodin	Jeri	Assistant Manager	Include
	Ladd	John	Maintenance	*Terminated*
	Santos	Miriam	Grounds	Include
	Sullivan	Joseph	Maintenance Super	Include
	Vanover	Brenda	Leasing	Include
	Wilson	Angela	Property Manager	Include
	New Hires			
	Weaver	Robert	Pool Monitor	**Exclude**
	Wilhelm	Jim	Maintenance (FT)	Include
	Zinnerman	Aaron	Pool Monitor	**Exclude**